

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7694

BILL NUMBER: HB 1953

DATE PREPARED: Jan 9, 2001

BILL AMENDED:

SUBJECT: Annexation.

FISCAL ANALYST: Chris Baker

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**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: Local

Summary of Legislation: This bill provides that if a municipality fails to introduce an annexation ordinance not later than 60 days after a petition to be annexed is filed, or fails to adopt the ordinance not later than 60 days after the public hearing, the petitioners may have a court decide whether the annexation should proceed. The bill reduces the time required for an annexation to take place in the following types of annexations: (1) where all property owners in an area petition to be annexed, the area does not have a population, and economic development incentives are involved; and (2) where the territory to be annexed is noncontiguous and owned by a municipality or a property owner who consents to the annexation and the area is to be used for an industrial park. It eliminates the period for remonstrance in these annexations.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: A municipality would be required to publish a notice one time at least 20 days in advance before a hearing of an annexation of an area to be used for an industrial park. The impact is indeterminable but is considered minimal, and would be determined by the amount of notices being sent by municipalities.

When territory is annexed, services are to be extended to that territory. The extension of services to this new territory would create additional expenditures for the municipality. If annexation does not take place, then the municipality would not have to make these expenditures. Generally, annexation of territory into a municipality increases the property tax base. The taxpayers of the newly annexed areas usually experience a rate increase in property taxes, while existing taxpayers of the municipality may experience a rate reduction.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Municipalities.

Information Sources: